



## COMMISSION OF THE EUROPEAN COMMUNITIES

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### **COMMUNICATION FROM THE COMMISSION**

**Protecting the Communities' financial interests**

**Fight against fraud**

**Action Plan for 2001-2003**

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#### **Fight against fraud**

#### **Action Plan for 2001-2003**

The Commission adopted a communication on an overall strategic approach for the protection of the Communities' financial interests and the fight against fraud,<sup>1</sup> which identifies the major challenges which have to be successfully tackled in the next five years (2001-2005). The strategic approach was presented by Ms Schreyer, in agreement with M. Vitorino, Commissioners, and adopted on 28 June 2000. It was adopted by the Council (Ecofin) on 17 July and the guidelines have been approved by Parliament.<sup>2</sup> The communication involves all Commission departments in the protection of the Communities' financial interests and sets out the priority measures on which they must collaborate when the initiatives are launched or implemented.

In response to the challenges identified in the overall strategic approach, and without prejudice to more specific initiatives in each Directorate-General or to the operational tasks assigned to the European Anti-Fraud Office by the Commission and the legislator, the Commission intends to implement a number of specific measures over the next three years. This is the purpose of the action plan for 2001-2003, the first working programme fully covered by this overall strategic approach. It sets out the priority measures and initiatives to be implemented by Commission departments, including the European Anti-Fraud Office in its non-operational role. Work under the latter category will include developing and preparing legislative and regulatory initiatives on the protection of the Communities' financial interests and the fight against fraud as a support for operational activity, in accordance with the Commission Decision of 28 April 1999.<sup>3</sup> The Office's activities as an independent operational department will be laid down in a separate working programme for which its Director-General is directly responsible and for which he will have to produce a separate report.

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As pointed out in the overall strategic approach adopted on 28 June,<sup>4</sup> protecting the Communities' financial interests is the business of the Commission and all its departments and of the other institutions and the Member States. This is reflected in the action plan for 2001-2003, which lays down the priority measures to be implemented in line with the broad guidelines defined by the multiannual strategic approach:

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<sup>1</sup> COM(2000) 358 final.

<sup>2</sup> Parliament approved the guidelines presented in its Resolution of 13 December 2000.

<sup>3</sup> See Article 2 of the Commission Decision of 28 April 1999 establishing the European Anti-Fraud Office (OLAF), OJ L 136 of 31.5.1999.

<sup>4</sup> Communication from the Commission, Protection of the Communities' financial interests - The fight against fraud - For an overall strategic approach (COM(2000) 358 final).

- *developing an overall anti-fraud policy*: the approach is based on Article 280 of the Treaty, which combines measures to prevent and combat fraud in order to afford effective and equivalent protection throughout the Community. Emphasis is placed here on the all-encompassing and multifaceted nature of the measures to be adopted - primarily legislation - in order to cut off existing opportunities for fraud, corruption and activities harmful to the Community's financial interests.
- *fostering a culture of cooperation between all the authorities responsible*: the strategic approach underlines the fact that effective action to protect financial interests and combat fraud must rely on the full participation and concerted commitment of the national and Community authorities on the ground. The creation of OLAF has given the European Union a powerful instrument for the protection of the Communities' financial interests. The Commission now wants to optimise this instrument, structuring the exchange of information and putting in place innovative methods of cooperation so that OLAF can fully discharge its functions and, in particular, provide an overview at Community level.
- *an inter-institutional approach to preventing and fighting fraud and corruption*: the aim is to make all Commission officials and beneficiaries aware of the ethical aspects of financial management and to lay down guidelines to prevent any conduct which might harm the Community's political, legal and financial interests. The legislator also wanted OLAF to have independent powers of internal investigation across all the institutions and bodies. The effectiveness and consistency of those powers must be evaluated.
- *strengthening the criminal law dimension*: the most serious cases of wrongdoing must be subject to criminal proceedings, but there are still obstacles to be surmounted here. To this end, the Commission plans to encourage the adaptation of national criminal law policies to the new Treaty obligations and the development of a strategy based on close and regular cooperation with the judicial authorities in the Member States and the various extra-Community bodies.

The four challenges set out above are in line with the dynamic of the May 1999 anti-fraud reform and the creation of the European Anti-Fraud Office (OLAF), in response to the high priority attached by the institutions and the Member States to the fight against economic and financial crime. This approach is based on the new Article 280, as amended by the Treaty of Amsterdam, with due regard for the fact that the Commission's special responsibility in this regard is also closely linked with its budget implementation tasks under Article 274 of the EC Treaty.

Article 280 also makes the Commission and the Member States mandatory partners in the protection of financial interests and the fight against fraud, accountable to Parliament and the Council. The Community must fully apply this principle of shared responsibility in its new anti-fraud policy: the Commission can do this by, at each stage, drawing the consequences from the new involvement of different players in Community policies.

*Cooperation between all the competent authorities* (cf. Part 2 of the Action Plan) is therefore the key to an efficient mobilisation of forces. Part 2 of the Action Plan explores modes of cooperation and suggests a working method. It proposes that these

authorities be involved from a very early stage - i.e. when the rules are drawn up - right through to implementation and final evaluation. To achieve this, the Advisory Committee for the Coordination of Fraud Prevention will serve as a forum for joint discussion between the Commission and Member States' experts. The Committee will also have to offer support to the authorities responsible for implementation on the ground and strengthen the judicial dimension of joint action. The Office, for its part, must organise itself in such a way as to exploit the full potential of a true Community platform of services: an instrument for planning, action on the ground and assistance to national authorities.

*The preventive measures, inspections and penalties* which are presented first cannot therefore be dissociated from the working methods described in the chapter on cooperation between the competent authorities and assistance from OLAF. Nor can they be set apart from the measures aimed at *strengthening the criminal law dimension*, which confirm the added value, from a strategic and operational point of view, which OLAF can offer to the judicial and police authorities in the Member States and the other extra-Community bodies.

The purpose of increasing participation within the platform of services, without prejudice to the Commission's own responsibilities, including the operational tasks carried out by OLAF in total independence, is to keep pace with the growing interdependence within the Union, *inter alia* in the area of criminal activity, and with the greater sharing of responsibilities with national bodies. The introduction of new working methods - without abandoning common objectives - should give the Community the resources to enrich the rule-making process and exercise its responsibilities more effectively in the protection of the Communities' financial interests, including action on the ground.

Part 3 clarifies the mandate set out by the legislator as a priority for the European Anti-Fraud Office, within the Commission and in the context of its functional autonomy in relation to investigations.

The measures put forward in the Action Plan will be implemented in respect of fundamental rights and obligations, in particular the right to privacy, in accordance with the relevant provisions of Community law, especially Regulation 45/2001 of the European Parliament and the Council of 18 December 2000 concerning the protection of individuals with regard to the processing of personal data by Community institutions and bodies and the free movement of such data.

*A synoptic table of the measures listed above is annexed to the Action Plan.*

## **1. A COMPREHENSIVE AND CONSISTENT POLICY TO COMBAT FRAUD**

The Commission will endeavour to develop an approach towards preventing and combating fraud, corruption and any other illegal activity harmful to the Communities' financial interests, in accordance with the Community's and the Member States' obligation under Article 280 of the EC Treaty to afford effective and equivalent protection throughout the Community. The prevention aspect requires all the Commission's legislative and policy initiatives with financial implications to be accompanied, if necessary, by appropriate anti-fraud provisions. Steps should also be taken to strengthen the legal instruments for detecting, controlling and penalising fraud and irregularities.

### **1.1 A culture of prevention**

#### *1.1.1 Better fraud-proofing of legislation and administration*

Illegal activities affecting the Communities' financial interests often exploit shortcomings in legislation, which offenders not only circumvent but also use for their own ends. This well-known fact requires a change in working methods.

- One basic means of spreading a culture of prevention would be for Commission departments to draw on the experience of the Office and sectoral and horizontal control departments early on in the preparation of legislation in highly sensitive sectors, especially if this legislation is likely to have an impact on the Communities' financial interests. On the basis of the guidelines identified in the strategic approach, legislation will be submitted to a risk analysis to filter out highly sensitive cases, particularly where there could be an impact on the Community's financial interests ("*fraud-proofing*"). This preliminary examination should be an opportunity to analyse proposed measures with a view to assessing their vulnerability and the potential risks with regard to the protection of financial interests and the fight against fraud. The Commission will propose a flexible mechanism for consultations with the specialised unit set up in OLAF ahead of the interdepartmental consultation procedure and for guidance throughout the legislative process. This approach also forms part of the Commission's reform and appears in the White Paper as Action 94.<sup>5</sup>

A communication will be presented by the end of June 2001 spelling out in detail this field of activity.

#### *1.1.2 Greater security for various key sectors*

The prevention aspect of protecting the Communities' financial interests is based on risk analysis and targeted efforts to tighten up security in sectors vulnerable to economic and financial crime.

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<sup>5</sup> COM(2000) 200 final/2 - Reforming the Commission - A White Paper - Part II - Action plan.

- *Public procurement* is one vulnerable sector where the Commission wants to bolster preventive mechanisms, covering both its own activities and those of the Member States.<sup>6</sup> A proposal for a European Parliament and Council Directive<sup>7</sup> has therefore been adopted, introducing a compulsory mechanism for excluding tenderers who have been convicted of belonging to a criminal organisation, corruption or fraud against the Communities' financial interests, and an optional mechanism for ruling out economic operators who are "not reliable". In this connection, awareness-boosting measures are envisaged amongst the personnel (see part 3.1.2), and the development of computing tools is foreseen.

Under a special initiative to be introduced in November 2001, a system is to be set up for exchanging information between Member States, allowing tenderers who have been convicted of certain offences to be excluded from public contracts.<sup>8</sup>

- In preparation for the introduction of the new European currency on 1 January 2002, the Commission has presented a proposal for a Council Regulation *on the protection of the euro against counterfeiting*.<sup>9</sup> At its meeting on 12 February 2001, Ecofin reached political agreement on this proposal, which introduces an obligation to transmit forged notes and coins for identification, provides for information exchange, cooperation and mutual assistance mechanisms and the centralisation of information on cases of forgery at national level and imposes certain obligations on credit institutions. Adoption of the regulation in the second half of 2001 will enable cooperation to get under way between the Member States, the Commission and the ECB, and with Europol through the conclusion of cooperation protocols.<sup>10</sup>

The arrangements for technical **cooperation** with national administrations and institutional partners will have to be concluded before the end of 2001, i.e. in good time for the introduction of the euro at the beginning of 2002, in particular so that the mechanisms for transmitting forged notes and coins and centralising information at both national and Community level are fully operational. The Commission will present a *multi-annual and multi-disciplinary programme of training, exchanges and assistance* for the protection of the euro in the first half of 2001.

- After the Financial Services Action Plan was adopted on 11 May 1999 (regular progress reports are issued), the Commission adopted on 9 February 2001 a communication and action plan on *preventing fraud and counterfeiting of*

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<sup>6</sup> Note the work of the expert group on organised crime and public contracts, which involves the Commission, the EIB and experts from the Member States.

<sup>7</sup> Proposal for a Directive on the coordination of procedures for the award of public supply contracts, public service contracts and public work contracts, COM (2000) 275 final, 30.8.2000.

<sup>8</sup> Without prejudice to the rules on the protection of personal data.

<sup>9</sup> COM (2000) 492 final, 26.7.2000.

<sup>10</sup> A steering group was set up in early March 2001 to establish an interinstitutional action plan involving Commission, the ECB and Europol on training, communication and coordination with non-Community countries. The European Technical and Scientific Centre has now been set up to examine forged notes.

*non-cash means of payment*.<sup>11</sup> The communication is primarily addressed to the payment card industry and calls for a partnership between card-holders, retailers, infrastructure network providers and national and international authorities.

- Economic crime against intellectual property (industrial, agricultural or commercial counterfeiting, Community trademark, piracy) helps sustain the underground economy and frequently involves smuggling, resulting in the loss of own resources. Where organised networks or channels are involved, cooperation is required between the competent authorities and the relevant industries: such is the aim of the Communication on *combating counterfeiting and piracy in the single market* adopted on 30 November 2000,<sup>12</sup> following the 1998 Green Paper.<sup>13</sup> The Communication states that the Commission will put forward a proposal for a Directive aimed at aligning Member States' legislation as regards ways to ensure the respect of intellectual property rights<sup>14</sup>. A proposal for a Regulation will be considered, if necessary, in 2003 to define a framework for the exchange of information and administrative cooperation between all the competent authorities in the Member States and with the Commission.

#### *1.1.3 Involving applicant countries in prevention*

- A study conducted in 1997 together with an expert group took stock of the compatibility of national judicial systems with Community offences, as defined in the *Corpus Juris*. The national plans presented by the applicant countries are now being analysed and will be the subject of a general report in September 2001.
- Already at the pre-accession stage, the Commission will systematically prioritise the creation of multi-disciplinary administrative structures with wide competencies in the applicant countries. Cooperation in the operational field between these structures and the Commission will be formalised through administrative arrangements with OLAF. Furthermore, pre-accession financing programmes will make it possible for the Court of Auditors and the Commission, including OLAF, to carry out anti-fraud on the spot checks. A system of communication to the Commission, modelled on the SAPARD financial memorandum, of irregularities discovered by the accession countries themselves should be provided for as and when the new programmes are implemented.

#### *1.1.4 Involving industry in a policy of transparency*

The ability of criminal organisations to blend into the general background of economic activity and pretend to be lawful firms or professionals makes it difficult to gain an overall picture of criminal behaviour and identify criminal structures. It is therefore essential that awareness be raised among the most

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<sup>11</sup> Communication from the Commission to the Council, the European Parliament, the European Central Bank, the Economic and Social Committee and Europol, Preventing fraud and counterfeiting of non-cash means of payment, COM(2001) 11 final.

<sup>12</sup> COM(2000) 789 final.

<sup>13</sup> COM(1998) 569 final.

<sup>14</sup> Complementing existing legislation concerning the actions of customs administrations, in particular Council Regulation (EC) n° 3295/94 of 22.12.1994, as well as the conditions for their intervention at the occasion of declarations or controls.

vulnerable economic sectors. The professions and industries concerned should be encouraged to draw up their own internal rules, provided there is a system of public control for penalising for any shortcomings in these self-regulation arrangements. Between now and 2003, the Commission will assess the most effective methodological approach, drawing on among other things the Charter of 27 July 1999 on action to combat organised crime.

## **1.2 Strengthening legal instruments for detecting, controlling and penalising fraud**

A coherent anti-fraud policy must include sophisticated instruments for detecting fraud, checking operations and penalising irregularities and fraud harmful to the Communities' financial interests in an effective and targeted manner. This concerns all interested parties, at both Community and national level. The Commission therefore intends to reinforce detection methods and control measures.

### *1.2.1. Detection and control in the financial field, including at international level*

- Administrative cooperation and mutual assistance in the field of indirect taxation should lead to more effective prevention of *indirect tax fraud*.<sup>15</sup> The Commission has put forward a proposal for a directive, based on Article 95 of the EC Treaty, on improving cooperation between Member States' administrative departments responsible for recovering debts.<sup>16</sup> This proposal has been the subject of a political agreement by the Council in January 2001. However, given that the legal base proposed by the Commission was changed by the Council, a new consultation of the European Parliament has been engaged. The proposal could be adopted during the first semester 2001.

A comparable effort has been made to improve the European Union's capacity to control and detect fraud in its relationship with partner countries.

- On 15 December 2000, the Council authorised the Commission to negotiate a cooperation agreement with *Switzerland* to fight against fraud and other illegal activities affecting the financial interests of the Communities, the Member States, as well as Switzerland. The aim of this agreement is to strengthen existing conventions and protocols, in particular the agreement on mutual assistance in the customs field (1997 protocol). Given the strong economic relations between the Community and Switzerland, organised fraud and smuggling as well as other illegal activities carried out from Swiss territory cause the Communities financial losses estimated at several billion euros per year. This cooperation agreement with Switzerland concerning the fight against fraud should, if possible, be concluded before the end of 2001.

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<sup>15</sup> In 1980, Council directive 76/308/EEC on the recovery of debts resulting from operations in the framework of the financing of the EAGGF, agricultural levies and customs duties was extended to the recovery of amounts resulting from VAT excise fraud (OJ L 73 of 19.3.1976).

<sup>16</sup> Proposal COM(1998) 364 final (OJ C 269 of 28.8.1998). Amended proposal of 7.5.1999 COM(1999)183 final, OJ C 179 of 24.6.1999).



### 1.2.2 Improving financial follow-up and penalties

- On 12 December 2000, a Commission communication emphasised the importance of *improving administrative and financial follow-up* in cases of fraud, particularly as regards the recovery of unduly paid funds (subsidies and advances).<sup>17</sup> This was a response to the priority identified in Action 96 of the White Paper on Reform<sup>18</sup>, which recommends a review of the responsibilities for recovery of funds unduly paid which are at present dispersed between various departments. A structure is to be set up within OLAF to follow up cases of fraud and irregularities as soon as they are pursued as a criminal matter, so that the Commission can, where appropriate, bring a civil action. This redefinition of tasks will have administrative consequences: the departments concerned will take appropriate steps in 2001.

Other priorities set out in the White Paper will be translated into legislative and administrative action in 2001-2003. *Management of the Structural Funds* (Action 97) was the subject of two new Commission regulations<sup>19</sup> on the management and control systems and on the procedure for making financial corrections respectively, in order to provide a framework for improved management of the Structural Funds by the Member States. Furthermore, the Commission has reinforced both the quality and the quantity of the level of audit work being carried out by the Commission services in the Member States as regards the Structural Funds<sup>20</sup>. In the context of these tighter controls on aid management systems and the effectiveness of procedures, interdepartmental agreements are to be drawn up between OLAF and the DGs responsible for the Structural Funds (Regional Affairs, Employment, Agriculture and Fisheries) with regard to the follow-up of irregularities notified by the Member States under Regulation No 1681/94. In particular, the aim of these protocols will be to clarify the breakdown between the various departments of responsibility for the recovery of amounts evaded through fraud or irregularities, and the role of OLAF.

The improved *clearance of accounts procedure for the EAGGF* (Action 98 of the White Paper on Reform) is already partly in place. The Commission departments have also begun work on revising the “black list” mechanism in the agricultural sector: a proposal for a horizontal Regulation to extend the scope of Regulation No 1469/95 is envisaged for 2003.

- In its communication on an overall strategic approach,<sup>21</sup> the Commission also stressed the need to supplement the provisions on administrative controls with a *system of administrative penalties* designed to prevent irregularities and improve compliance with Community rules, in accordance with the framework set up by Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the

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<sup>17</sup> Communication by Mrs Schreyer, COM(2000) 2204 final, 13.12.2000.

<sup>18</sup> Reforming the Commission (COM(2000) 200 final/2 of 5.4.2000).

<sup>19</sup> No 438/2001 of 2.3.2001 (OJ L63 03.03.2001) and No. 448/2001 of 2.3.2001 (OJ L64 of 6.3.2001)

<sup>20</sup> A separate communication on all the measures adopted by the Commission in this context is being prepared.

<sup>21</sup> COM(2000) 358 final, 14.11.2000.

protection of the European Communities' financial interests<sup>22</sup> and Council Regulation (Euratom, EC) No 2185/96 concerning on-the-spot checks and inspections.<sup>23</sup> This ties in with the advisory role (fraud-proofing) reserved for OLAF in the legislative process and in the field of contracts.

As regards **direct expenditure**, the Commission is studying the conditions for introducing the existing rules set out in Regulations Nos 2185/96, 1073/99 and 1074/99 in this field,<sup>24</sup> and for implementing a "black list" mechanism for contracts awarded by the Commission to economic agents, or indeed any contracts where Community finance is involved. An initiative may be launched in 2001.

- *The provisions on on-the-spot checks and verifications*, which form the basis for OLAF's involvement in investigations by the Member States in the various areas of the Community budget, are still widely dispersed. While leaving existing mechanisms<sup>25</sup> intact, the Commission will carry out a comparative study of existing bases to ascertain whether a single base should be established in order to improve its consistency of action in cases where OLAF asks Member States to check the regularity of certain operations and where it asks to participate in inspections. This will also enable OLAF to be more effective and consistent in following up the results of its investigations, in particular with regard to the rules on confidentiality and data protection. A summary of this study will be made by 2003 to determine the mechanism best suited to ensure more effective cooperation with the Member States.

## **2. STRENGTHENING OPERATIONAL COOPERATION BETWEEN ALL COMPETENT AUTHORITIES**

The creation of OLAF has given the Community a powerful instrument for the protection of financial interests, the fight against fraud, corruption and all other illegal activities damaging to the Communities' financial interests. In relation to the first theme set out in the strategic approach, which is concerned primarily with the drafting of legislative and regulatory initiatives, OLAF can help organise and structure the flow of operational, legal and statistical information without which no Community overview can emerge. The key to the success of this exercise in introducing greater subsidiarity to Community initiatives lies in better use of the available information and in the definition of innovative working methods with the players on the ground both within the Commission and throughout the Union. OLAF must therefore adapt

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<sup>22</sup> Council Regulation (EC, Euratom) No 2988/95 of 18.12.1995 (OJ L312 of 23.12.1995) on the Protection of the Communities' financial interests.

<sup>23</sup> Council Regulation (Euratom, EC) No 2185/96 of 11.11.1996 (OJ L 292 of 15.11.1996) concerning on-the-spot checks and inspections carried out by the Commission in order to protect the financial interests of the Communities against fraud and other irregularities.

<sup>24</sup> Regulation (EC) No 1073/99 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/99 of 25 May 1999 concerning investigations conducted by the European Anti-Fraud office (OJ L 136 of 31.5.1999).

<sup>25</sup> In particular Regulations No 1150/2000, 2185/1996, 515/1997, 515/1991, 1258/1999, 4253/1988 and 1260/1999.

its structure to create a service able to offer expertise and operational support to the national authorities and to devise new forms of cooperation.

## **2.1 Establishing a Community platform of services**

The purpose of such a structure is to collect, exploit and make available to national administrations and all Commission departments information gathered on the ground relating to the protection of financial interests and fraud prevention.

### *2.1.1 Rationalising and improving common working structures*

- The key to effective action in protecting financial interests lies in synergy between existing capabilities for detection and analysis at Community level and the capabilities of national administrations and Community and international bodies.

The Commission has begun to look at the type of services it can offer to the Member States *to ensure a “close and regular cooperation” with the competent authorities*. Information supplied by the Member States must be used in a systematic and structured way, in some cases even for purely legislative activity. And besides operational information, the Commission must make the existing expertise and legal capabilities available to all parties involved in protecting financial interests and combating fraud. The Commission also has statistical data of interest to both the Member States and its own departments, which could be used not only for risk analysis but also for formulating and defining coordinated policies and strategies. This existing capacity for legal analysis and advice must be put to better use both internally and externally, among other things in investigations by national and Community administrations.

The Commission will follow up this exhaustive inventory of the services it can offer - to be carried out in 2001 - with a study of the Member States' own capacities and the scope for adapting administrative structures to optimise synergies in 2002.

- Following this study, the Commission, together with experts from the Member States, will carry out a joint analysis of existing coordination structures in the course of 2001. The Advisory Committee for the Coordination of Fraud Prevention (COCOLAF) is a body which supplies advice and expertise on the protection of financial interests to the Commission. It has attached to it a number of working parties and structures for operational cooperation, all of which must be more closely involved. This means *enhancing COCOLAF's role as a horizontal working group* dealing with all aspects of the protection of financial interests and fraud prevention. The aim is to develop closer cooperation in order to draw on the experiences of those working on the ground at local, national and Community level and to pass on information, once it has been exploited and analysed.

In redefining COCOLAF's internal working methods, special account must be taken of the latest amendment to Article 280 of the Treaty, paragraph 5 of which now implies that the Commission, in cooperation with national experts, must report on the measures taken by national administrations to protect financial interests and prevent fraud. To this end, thought will be given to how best to report on action

taken by national authorities and how to gradually develop comparative instruments and indicators to help Member States evaluate their priority measures, the progress made and any shortcomings in the action they take. Furthermore, the Commission Decision of 23 February 1994 setting up COCOLAF will be updated in early 2002.

### *2.1.2 Improved use and analysis of intelligence*

- The Office can give national authorities and other Commission departments an overview at Community level, provided that better use is made of the available information. The Commission is a party to numerous cooperation agreements or agreements concerning the exchange of administrative information, in particular customs information, including at the international level. This applies both to OLAF's investigation activities and to its role in drafting and preparing legislative and regulatory initiatives on the protection of financial interests and the fight against fraud.

The effort will focus on disseminating the information collected by operational departments, external bodies responsible for police and justice matters and national administrations by extending the various existing exchange systems.

- The possibilities for synergy between the Commission and other external organs must be explored. The Commission takes part, on behalf of the European Union, in Interpol meetings. It cooperates with the Member States in a number of working groups of the Council. Structured relations must be established in 2002/2003 with organs such as Eurojust, Europol and Interpol...

## **2.2 Developing the partnership with Member States and third countries**

Effective action against organised crime, particularly transnational organised crime, affecting Community interests linked to those concerned by the fight against fraud or corruption is not possible in the absence of a strategy of cooperation and mutual information between all public partners.<sup>26</sup> To combat international crime, the European Union must take coordinated action against economic and financial crime (including fraud, counterfeiting of money, corruption and money laundering) which is either at its source (tax evasion) or is derived from it (laundering of the proceeds of crime).

### *2.2.1 Reinforcing cooperation to prevent money laundering and tax fraud*

- In accordance with its work programme, the Commission is preparing a proposal for a European Parliament and Council Regulation intended to improve existing mechanisms on *mutual assistance and exchange of information on the protection of financial interests from fraudulent activities, including VAT fraud and money laundering*. Efforts to crack down on the laundering of capital, i.e. the profits from

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In October 1999 the Tampere European Council recommended "an efficient and comprehensive approach in the fight against all forms of [transnational] crime".

diverse illegal activities detrimental to the Communities' financial interests, is a priority for the Community.<sup>27</sup> This initiative seeks to establish a mechanism for mutual information, for example with regard to money laundering, on suspect transactions that have a Community dimension,<sup>28</sup> with a view to increasing the potential for intelligence and information on the original illegal activities. The proposal should be adopted by mid-2001 so that the Council can begin looking at it in the second half of the year.

- The Commission plans to present a proposal, based on article 95 of the EC Treaty, for a European Parliament and Council Regulation amending Council Regulation (EEC) No 218/92 on administrative cooperation in the field of *indirect taxation* (VAT).<sup>29</sup> One of the aims is to replace the existing legal framework (Regulation 218/92 and Directive 77/799) with a single regulation ensuring the smooth operation of the single market. Similar steps will be taken in 2001 with regard to excise duties.

## 2.2.2 *A policy of evaluation and forward planning*

- A policy of ongoing evaluation of progress must be put in place. Following the introduction of the new Article 280 of the EC Treaty, the measures taken by the Member States to implement that article will be presented in the *annual Commission report on the protection of financial interests and the fight against fraud*. The report for 2000, to be adopted in mid-2001, will include an inventory of new measures adopted by the Member States in 1999 and 2000, drawn up on the basis of a questionnaire covering new legislative and organisational measures under the first and third pillars.
- An evaluation of OLAF's operational activities is also planned. *OLAF's second report* under Article 12 of Council Regulation No 1073/1999, to be prepared during the second half of 2001 following the opinion of the Supervisory Committee<sup>30</sup>, will report on progress on the internal organisation of investigations and operational cooperation with national administrations.
- Under Article 15 of Council Regulations Nos 1073/1999 and 1074/99,<sup>31</sup> OLAF's activities must be evaluated during the third year following entry into force of the Regulations. *The relevant Commission report*, accompanied by the opinion of the Supervisory Committee and, where appropriate, proposals to modify or extend OLAF's tasks, will be adopted during the second half of 2002.

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<sup>27</sup> See the Commission proposal of 14 July 1999 to update Directive 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering. In its common position of 30 November 2000, the Council provides, in addition, for obligations on credit institutions and various non-financial activities and professions vulnerable to laundering (SEC(2001) 12 final).

<sup>28</sup> As a complement to Articles 1(e) and 7.1 and 7.2 of the Second Protocol of 19.6.1997 to the Convention on the protection of financial interests.

<sup>29</sup> COM(2000) 349 final, 7.6.2000.

<sup>30</sup> OLAF's Supervisory Committee is kept regularly informed of the Office's activities, investigations, findings and the action taken on them. A specific report should be adopted in October 2001, in accordance with Article 11 of Council Regulation No 1073/1999.

<sup>31</sup> Regulations (EC) No 1073/99 and Regulation (Euratom) No 1074/99 concerning investigations conducted by the European Anti-Fraud Office (OJ L 136 of 31.5.1999).

### **3. THE FIGHT AGAINST FRAUD AND OTHER ILLEGAL ACTIVITIES WITHIN THE INSTITUTIONS**

The fight against fraud, corruption, money laundering and other illegal activities is an interinstitutional effort. When acting as an internal investigation service, OLAF's task is not to investigate systematically but to process the information supplied to it. The reform of disciplinary procedures proposed in the White Paper on Reform, in particular clarification of the rules and obligations laid down in the Staff Regulations, will make it possible to take just and effective action in response to internal investigations. Cooperation with the future Investigation and Disciplinary Office (IDO) within the framework of the Directorate-General for Personnel and Administration will be an important element to attain this objective.

#### **3.1 Raising awareness among Community staff of the principles of sound project management**

##### *3.1.1 Better coordination between OLAF and other departments*

- Under Action 93 of the White Paper on Reform, *better coordination and cooperation between the Commission departments* is needed in order to combat irregularities, fraud and corruption. The first step in establishing regular, institutionalised relations between OLAF, the Central Financial Service and specialist financial departments (authorising officers and managers), subject to the relevant confidentiality requirements, will be to identify the services which OLAF is able to offer and to list the information available. This will be done by the end of 2001 before work begins on defining cooperation agreements. A cooperation agreement should also be concluded between the Office and the future Investigation and Disciplinary Office.

##### *3.1.2 Guidelines on sound financial management*

- The White Paper on Reform (Action 92) stressed the importance to the Commission of adopting guidelines on criteria for sound financial management during the life-cycle of programmes and projects, from their conception to evaluation of the final results.

In cooperation with the Administrative Reform Task Force<sup>32</sup>, the Internal Audit Service, DG Budget, the Secretariat General, the Legal Service and DG Admin, OLAF is preparing a draft communication for adoption by the end of 2001 which will include *guidelines on sound financial management and a training plan* on the protection of financial interests for staff involved in programme preparation and financial management. The various Codes of Conduct adopted by the European Commission since 16 September 1999 will be supplemented using these ideas on criteria for sound management by the end of 2002.

- To make Action 92 more effective, the guidelines on sound financial management need to be strengthened before the end of 2002 by including a *list of types of*

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<sup>32</sup>

Or the Directorate General for Personnel and Administration after the Task force's mandate has expired, on 17 September 2001.

*behaviour* which can lead, at certain stages of the life-cycle of programmes and projects, to non-intentional errors, conflicts of interest or irregularities.<sup>33</sup>

## **3.2 More effective internal investigations**

### *3.2.1 Reforming disciplinary procedures*

The legislator intended OLAF to have an independent power to conduct internal investigations in all the institutions and bodies.<sup>34</sup> This task is linked to the reform of the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities with regard to disciplinary action and the rights of defence, as set out in the White Paper on Reform, to be presented to the Council at the end of 2001.<sup>35</sup> In this context, the European Anti-fraud Office, which does not have a mandate to carry out systematic controls, will act principally on the basis of referral of cases made to it by the Appointing Authority but also using any information supplied by the members and staff of the institutions, fulfilling their duty of loyalty. The Office will decide on a case-by-case basis whether or not to open a file, after examining carefully the information supplied. As far as investigations are concerned, it will be necessary to increase cooperation and to establish a clear separation of functions between OLAF and the future Investigation and Disciplinary Office.

### *3.2.2 Improving the effectiveness and consistency of internal investigations*

There must be regular follow-up of investigative activities in order to take on board observations by Parliament and by the Office's Supervisory Committee. The findings will be set out at the end of 2002 in the framework of the Commission report on the Office's activities provided for under Article 15 of Council Regulations No 1073/99 and 1074/1999.

## **4. STRENGTHENING THE CRIMINAL JUDICIAL DIMENSION**

In order to strengthen the criminal justice dimension of protection against illegal activities harming the Communities' financial interests, the Commission must take initiatives targeted at the specific nature and requirements of action to prevent and combat these types of crime "against Europe".

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<sup>33</sup> Chapter XX of the Reform Action Plan (doc. COM(2000)200/2 final of 05.04.2000 and the consultative document of 28 November 2000 (doc. SEC (2000) 2079/5).

<sup>34</sup> Council Regulation (EC) No 1073/1999 of 25 May 1999 concerning internal investigations by the European Anti-Fraud Office (OJ L136, 31.05.1999).

<sup>35</sup> Without prejudice to the work of the Investigations and Disciplinary Office, which is designed to establish a permanent team responsible for investigations into cases of professional misconduct and to speed up inquiries.

But it must also take full advantage of the European area of freedom, security and justice provided for in the Amsterdam Treaty and put into tangible form in the conclusions of the Tampere European Council in October 1999. The Commission can take horizontal initiatives on judicial cooperation in criminal matters and make a significant contribution to Member States' efforts. The Commission may also use these initiatives to tighten up the protection of the Communities' financial interests.

#### **4.1 Follow-up to the Commission communication on criminal-law protection of the Community's financial interests**

- In the context of the 2000 Intergovernmental Conference, the Commission proposed enhancing protection of the Community's financial interests by adding a new Article 280bis to the EC Treaty, establishing a European public prosecutor.<sup>36</sup> The proposal was not taken up at the Nice European Council. The Commission will relaunch discussion of its proposal on establishing a European public prosecutor in the form of a *Green Paper* to be adopted by the end of 2001, with a view to having it reconsidered, on the basis of the results of these discussions, at the next Intergovernmental Conference.<sup>37</sup>

The aim is to have as broad a consultation as possible throughout 2002 on the powers and operation of a public prosecutor competent for internal and external investigations relating to the protection of the Communities' financial interests. The Green Paper would further the Commission's reflections, while taking into account the detailed preliminary study conducted, inter alia, with the Corpus Juris researchers for several years now. The Green Paper should be presented by the Commission in view of the Laeken European Council of December 2001.

- The legal and judicial framework for the protection of the European Union's financial interests is suffering considerably from delays in Member States' ratification of the Convention of 26 July 1995 on the protection of the European Communities' financial interests and its additional protocols.<sup>38</sup> The Commission will therefore table a proposal for a Directive seeking *adoption under Article 280 EC of certain provisions contained in third pillar instruments*. Such an instrument would inter alia make it possible for the convergence of the Member States' material penal law concerning fraud, corruption and money laundering detrimental to the Community's financial interests to be speeded up, and for activity in this area to be enhanced.

#### **4.2 Improving cooperation and facilities for action in criminal matters**

Closer cooperation between the competent authorities, with full regard for fundamental rights, is a vital factor in establishing an area of freedom, security and

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<sup>36</sup> Additional Commission contribution (COM(2000) 608 final of 29.9.2000).

<sup>37</sup> See point 20 of the Parliament resolution of 13.12.2000, adopted by a majority of its members, and its resolution of 14.3.2001 on the Commission's annual report for 1999.

<sup>38</sup> See for example point 10 of the conclusions of the Ecofin Council of 17 July 2000, which once more calls on the Member States which have not done so to ratify the 1995 Convention and the protocols that go with it. At the end of February 2001, five Member States had still to notify ratification of the Convention.



justice. The Union adopts a nuanced approach to judicial cooperation in criminal matters, which is designed among other things to simplify procedures for judicial assistance and letters rogatory and to improve the coordination of prosecutions and the mutual recognition of decisions. Other initiatives on cooperation between police services are also in the pipeline.

- The Convention of 29 May 2000<sup>39</sup> on judicial cooperation in criminal matters will be a vital tool for *the simplification of judicial assistance procedures*. Once it has been ratified by all the Member States, direct contact between the different judicial authorities will be established as a general principle. Letters rogatory will be executed more rapidly and using simpler procedures, with due respect for national rules on the admissibility of evidence. Judicial authorities will also be able to use modern communication methods such as videoconferencing etc. The Commission is at present taking an active part in negotiations on a draft protocol to the Convention on improving judicial assistance with regard to bank accounts and banking transactions.
- To facilitate and speed up cooperation and coordination between judicial authorities, the Tampere European Council agreed to set up *a European unit for judicial cooperation (Eurojust)*, which features in the Nice Treaty, before the end of 2001 (see point 46 of its conclusions). Eurojust will comprise national prosecutors, magistrates or police officers with equivalent powers seconded from the Member States, essentially responsible for improving coordination between national judicial authorities and operational judicial cooperation in cases of serious transnational crime, particularly organised crime. Negotiations are still under way in the Council on the decision concerning the creation of Eurojust, but the Council has already set up, by decision of 14 December 2000, *the provisional judicial cooperation unit (Pro-Eurojust)*,<sup>40</sup> which took up its duties on 1 March 2001. Its role is to help coordinate prosecutions and set up the future Eurojust unit proper.

In the Council negotiations and through its involvement in the work of the provisional unit, the Commission is striving to make Eurojust as effective as possible, in line with its proposals in the Communication of 22 November 2000.<sup>41</sup> More specifically, with regard to the protection of the Communities' financial interests, it is important to ensure a dovetailing of the roles of Eurojust and the pool of magistrates in OLAF working on judicial cooperation in criminal matters and to provide for close cooperation between these two bodies, on the basis of a structured relationship to be in place by the end of 2002.

- With the adoption of the Second Protocol to the Convention on the protection of the European Communities' financial interests of 19 June 1997<sup>42</sup>, the Council

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<sup>39</sup> OJ C 197, 12.7.2000.

<sup>40</sup> Set up by Joint Action 98/428/JHA, adopted by the Council on 29 June 1998. See the new Article 31 TEU, as amended by the Treaty of Nice.

<sup>41</sup> COM(2000) 746 final.

<sup>42</sup> Explanatory Report on the Second Protocol to the Convention on the protection of the European Communities' financial interests (OJ C 91, 31.3.1999); see article 6 of the Convention of 26 July 1995, which lays down both the Member States' obligation to cooperate in enquiries and judicial actions and their primary responsibility.

decided to introduce penalties for legal persons responsible for fraud, corruption or money laundering and to *develop a structure for cooperation between the Commission and the Member-States for the purpose of combating these types of crime* affecting the Community's financial interests and the money laundering that goes with them. In particular, Article 7 of the Second Protocol specifies the additional action that can be taken by the Commission (technical or operational assistance). This assistance forms part of a package of anti-fraud measures to counter criminal offences with a Community dimension (i.e. where the interests affected or the evidence are spread across the Union or beyond, or where a criminal organisation is involved, etc.).

The Commission will set out to define in more detail the nature of the assistance it can provide to judicial authorities and the rules governing that assistance. It will endeavour, in 2001, to produce a "judicial cooperation and assistance handbook" specifying where the Commission and OLAF fit into this context and what role they are to play.

- *The mutual recognition of court decisions in criminal matters* will also do a great deal to facilitate judicial cooperation. The concept of mutual recognition is spelled out in the Commission's Communication of 26 July 2000.<sup>43</sup> In the programme of measures designed to implement this principle for criminal-law decisions by the end of 2002,<sup>44</sup> the Commission and the Council announced a series of ambitious measures including proposals for legal instruments on a European arrest warrant and on pre-trial orders in investigations into computer crime, and a communication on determining criteria for jurisdiction in criminal matters. Pilot projects are under way on the freezing of assets and the enforcement of fines.
- On the question of police cooperation, both the Amsterdam Treaty and the Tampere European Council envisage in particular a *strengthening of Europol*. The Council has already extended Europol's mandate to cover the laundering of money regardless of its origin (by an Act adopted on 30 November 2000), and negotiations are under way on the possibility of extending its sphere of responsibility to cover all forms of crime, including fraud and corruption. The Commission actively supports the extension of Europol's powers in all domains relating to the fight against organised crime. As regards the protection of financial interests, efficient cooperation between the Commission (OLAF) and Europol will develop on the basis of structured relations which will ensure that their respective roles and responsibilities complement each other.

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The Commission's 2001-2003 Action Plan follows on directly from the overall strategic approach to the protection of financial interests and the fight against fraud, adopted in July 2000. It sets out to make an effective contribution to the new obligations on Member States and the European Community to achieve results, arising from the new Article 280 of the EC Treaty. The various measures presented

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<sup>43</sup> COM(2000) 495 final.

<sup>44</sup> OJ C 12, 15.1.2001, adopted by the Council (Justice and Home Affairs) on 30 November 2000.

are designed to meet the institutional challenge of revitalising the processes of drafting and implementing the Communities' policy rules that are shared between different tiers of responsibility.

**Protecting the Communities' financial interests**

**Fight against fraud**

**Action Plan for 2001-2003**

OBJECTIVES	MEASURES	LEAD DEPT. <sup>45</sup>	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
1. A COMPREHENSIVE ANTI-FRAUD POLICY FOR LEGISLATION							
1.1 Fostering a culture of prevention and tightening up legal texts							
1.1.1. Fraud-proofing legislation and contract management	Preliminary analysis of certain new legislative initiatives (Action 94 of the White Paper on Reform)	OLAF, Task Force on Reform <sup>46</sup>	Commission communication	Implementation at departmental level		First assessment	
1.1.2. Greater security for key sectors	Development of information system allowing the exclusion of tenderers who have been convicted (Action 94)	MARKT, OLAF, BUDG, JHA  OLAF, MARKT	(pm) Directive submitted to the Council		Proposal (information exchange)		

<sup>45</sup> Lead department, followed by associated departments.

<sup>46</sup> See footnote n° 32.

OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
	Protection of the euro against counterfeiting: closer cooperation between the Member States, the Commission, the ECB and Europol	OLAF, ECFIN, JHA, SJ, ECB, EUROPOL	Agreement in the Council (Ecofin) on 12.2.2001 (guidelines)	Regulation			
	Training, exchange and assistance programme	OLAF, ECFIN	Commission Communication			Training activities	
	Setting up and developing the role of the European Scientific and Technical European Centre for the protection of the euro	OLAF, ECFIN		Start-up	Development of structure		
	Prevention of fraud and of counterfeiting of non-cash payments	MARKT, JHA	Commission communication of 19.1.2001				

OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
	<p>Action to combat piracy and counterfeiting: implementation of Green Paper</p> <p>Framework for cooperation and information exchange</p>	<p>MARKT, OLAF, BUDG, TAXUD, JHA</p> <p>OLAF, MARKT, BUDG, TAXUD</p>			Proposal for a Directive		Proposal for a Regulation (stepping up cooperation with the Member States)
<i>1.1.3. Involving the applicant countries in fraud prevention</i>	Creation of "anti-fraud" structures inside the candidate countries, reinforcement of controls	ELAR, OLAF, BUDG	Anti-fraud provisions (adaptation of various financing programmes)				
<i>1.1.4. Involving trade circles in prevention</i>	Awareness-raising, using as a model the Charter of 27.7.1999 on action to combat organised crime	OLAF , JHA					Feasibility study

OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
1.2. Strengthening legal instruments for detecting, monitoring and penalising fraud							
1.2.1. Improving detection and control in the financial field, including at international level	Computerised tracking of the movement and inspection of products subject to indirect taxation	TAXUD	Proposal for a Directive (Article 95 EC)				
	Conclusion of a cooperation agreement with Switzerland covering anti-fraud measures	OLAF, RELEX	Contacts with the Swiss authorities			Proposal for a Council Decision	



OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
<i>1.2.2. Improving financial follow-up and penalties</i>	Implementation of the Communication of 12.12.2000 on the recovery of funds (Actions 96, 97 et 98)	BUDG, OLAF, ADMIN, AGRI, REGIO, EMPL, RELEX, SJ, MCG <sup>47</sup>	Draft Communication Action 97	Interdepartmental protocols Implementation and follow-up			
			Study on the responsibilities of departments involved in recovery				Proposal for a Regulation on the "black list" mechanism in EAGGF Guarantee Section
	Integration of administrative measures and penalties in the field of direct expenditure	OLAF, INFSO, RTD, other departments		"Direct expenditure" initiative			

<sup>47</sup>

Monitoring and Coordination Group for Reform Actions 92-98.

	Harmonisation of on-the-spot inspection arrangements	OLAF, other departments			Comparative study of legal bases	Proposal for a Council Regulation
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OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
2. A NEW CULTURE OF COOPERATION							
2.1. Establishing a Community platform of services							
2.1.1. <i>Rationalising and making better use of cooperation structures</i>	Analysis of services which Commission/OLAF can offer to the institutions and to the Member States, evaluation of possible synergies	OLAF	Inventory of services which Commission/OLAF can offer		Feasibility study on the organisation of the platform of services		Start-up
	Strengthening current coordination structures	OLAF	Evaluation		Amendment of Decision creating COCOLAF		

OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
<i>2.1.2. Widening the scope of information-gathering, improving use and analysis of intelligence</i>	Evaluation of possible synergy with national or external anti-fraud bodies (Eurojust, Europol, Interpol, etc.)	OLAF				Cooperation protocol	
	Structure relations with Eurojust, Europol, Interpol	OLAF, JHA, other bodies			Define synergies		
<b>2.2. Developing a closer partnership with Member States and non-Community countries</b>							
<i>2.2.1. Reinforcement of cooperation to prevent and combat money laundering and VAT fraud</i>	Money laundering, VAT: assistance and mutual information between the Commission and Member States on suspicious transactions	OLAF, TAXUD, MARKT, JHA	Proposal for a Regulation Article 280				Implementa tion of cooperation and exchange of information

OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
	Administrative cooperation between the Member States and mutual assistance	TAXUD	Draft Regulation (Article 95 CE)				
<i>2.2.2. A policy of evaluation and forward planning</i>	Inventory of national measures taken by Member States in 1999-2000	OLAF	Annual report on protection of financial interests under Article 280(5)		Report (Article 280 EC)		Report (Article 280 EC)
	Annual evaluation of OLAF's operational activities (Articles 11 and 12 of Regulations No 1073/1999 and 1074/1999)	OLAF		Office report		Office report	Office report
	Definition of the Office's strategic objectives	OLAF		Office action plan			Office action plan

OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
	Evaluation of the Office's activities, pursuant to Article 15 of Regulations No 1073/1999 and 1074/1999	OLAF				Commission Report  Opinion of the Supervisory Committee	Further action
<b>3. AN INTERINSTITUTIONAL APPROACH TO PREVENT AND COMBAT CORRUPTION</b>							
<b>3.1. Raising awareness among officials of the institutions of the principles of sound project management</b>							
<i>3.1.1 Improving coordination and cooperation between OLAF and other Commission departments (Action 93)</i>	Conclusion of memoranda between OLAF and the specialised financial departments	OLAF, IAS, SG, CFS, ADMIN (IDO), other departments		Definition of the services to be offered		Negotiation of memoranda	Implementation

OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
<i>3.1.2. Drawing up guidelines for sound financial management (Action 92)</i>	Training plan, codes of conduct	OLAF, Task Force on Reform <sup>48</sup> , IAS, BUDG, ADMIN, SG		Communication		Criteria for sound management	Implementation by departments
	Typology of high-risk behaviour	ADMIN, Task Force on Reform <sup>49</sup> , OLAF, AUDIT, BUDG, SG				Guide	

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<sup>48</sup> See footnote n° 32.

<sup>49</sup> See footnote n° 32.

OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
3.2. Improving the legal framework for administrative investigations							
3.2.1. Reforming disciplinary procedures (Actions 57 and 58)	Adjustment of administrative practices, amendment of rules and disciplinary obligations laid down in the Staff Regulations	ADMIN (IDO), Task Force on Reform <sup>50</sup> , OLAF, SG		Commission Decision			
3.2.2. Improving the effectiveness and consistency of administrative investigations	Analysis of conditions of implementation of Article 4 of Regulation No 1073/99 in Community institutions and bodies	OLAF				Report under Article 15 of Regulations No 1073/1999 and 1074/1999	Further action

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<sup>50</sup> See footnote n° 32.



OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
4. STRENGTHENING THE CRIMINAL-LAW DIMENSION							
4.1. Following up the Commission communication on criminal-law protection of the Communities' financial interests							
<i>Reviving the debate on the criminal-law protection of financial interests</i>	Ongoing discussions on the detailed arrangements for introducing a European public prosecutor in relation to the protection of financial interests	OLAF, JHA		Green paper	Consultations, report		Public hearing and follow-up report
<i>Speeding up the entry into force of legal protection in criminal matters</i>	Implementation of certain provisions of the Conventions on the protection of financial interests on the basis of new Article 280 EC	OLAF	Proposal for a Directive				



OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
4.2. Stepping up cooperation and facilities for action in criminal matters							
Simplifying judicial assistance procedures	Follow-up to Commission Communication on the creation of Eurojust	JHA/OLAF		Draft protocol to the Convention of 29 May 2000			
	Establishment of a European judicial cooperation unit	JHA/OLAF	Establishment of a provisional unit			Adoption of permanent “Eurojust” mechanism	
						Search for synergies between Eurojust and pool of magistrates	

OBJECTIVES	MEASURES	LEAD DEPT.	2001		2002		2003
			1st half	2nd half	1st half	2nd half	
<i>Stepping up cooperation in criminal matters for the criminal-law protection of financial interests</i>	Vertical cooperation with the Member States in combating crime affecting the Communities' financial interests	OLAF	Analysis of technical and operational assistance from OLAF to judicial authorities			Guide on best practice in judicial cooperation and assistance	
	Mutual recognition of decisions in criminal matters	JHA / OLAF	Programme of implementing measures				
	Cooperation in police matters	OLAF/JHA/ Europol			Closer cooperation with Europol in combating illegal activities related to the protection of financial interests		